GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1156
ANSWERED ON:01.03.2001
WORLD BANK LOAN FOR POWER PROJECTS IN RAJASTHAN
VSM (RETD.) COL. CHOUDHARY

Will the Minister of POWER be pleased to state:

(a) whether the World Bank has announced a $ 180 million loan for restructuring of Power projects in Rajasthan;

(b) if so, whether restructuring of project is likely to advance the privatisation of Power distribution and promote small scale generation in the State;

(c) if so, the estimated amount to be spent on restructuring of power sector in Rajasthan;

(d) whether losses in Power Sector are likely to be reduced by restructuring of projects; and

(e) if so, the extent thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (e) : The World Bank has approved a loan of US$ 180 million to India for theRajasthan Power Sector restructuring project in January, 2001. World Bank Investment Loan of US $ 180 million is intended to be used mainly for strengthening of transmission,sub-transmission and distribution system, installing LT less distribution system, improved metering and also for improving customer services. World Bank loan is aimed at expediting power sector reforms. Rajasthan has already unbundled its electricity board into one generation, one transmission and three distribution companies. Rajasthan Electricity Regulatory Commission is functional and tariff petitions have been filed by transmission and distribution companies. Rajasthan has also decided to privatise distribution by the year 2002. With rationalisation of tariff, reduction of T&D losses and elimination of theft, the sector is likely to achieve commercial viability.